



Rules and Ancillary Document Review Checklist
(This form must be filled out electronically.)

All responses should be in **bold** format.

Document Reviewed (include title): **Chapter 175-16 WAC**
Investment tax deferrals applications and procedures

Date last adopted:

October 24, 1979

- **WAC 175-16-010 Application**
- **WAC 175-16-030 Definitions**

November 30, 1973

- **WAC 175-16-020 Application processing**
- **WAC 175-16-040 Deferral period and repayment schedule**
- **WAC 175-16-050 Responsibility of department of revenue**
- **WAC 175-16-060 Official forms and instruction materials applied on request**
- **WAC 175-16-990 Appendix AC Application form and instructions C Investment tax deferral for manufacturers**

Reviewer: **JoAnne Gordon**

Date review completed: **April 16, 2001**

Is this document being reviewed at this time because of a taxpayer or business association request? (If "YES", provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request). YES ☐ NO ☒

Type an "x" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Explain the goal(s) and purpose(s) of the document:

Chapter 175-16 WAC implemented certain sections of Chapter 43.31A, the Economic Assistance Act of 1972, which authorized the Economic Assistance Authority to approve manufacturers located in certain areas for the investment tax deferral program. Until it was abolished during June 1982, the Economic Assistance Authority administered the program. The Department of Revenue absorbed any remaining duties after the Economic Assistance Authority was abolished.

2. Need:



YES	NO	
	X	Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?)
X		Is the document obsolete to a degree that the information it provides is of so little value that the document warrants repeal or revision?
X		Have the laws changed so that the document should be revised or repealed? (If the response is "yes" that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)
	X	Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington's citizens? (If the response is "no", the recommendation must be to repeal the document.)

Please explain.

Chapter 175-16 implements a program that no longer exists. Under RCW 43.31A.130, 43.31A.140, 43.31A.150, 43.31A.160, 43.31A.170, 43.31A.180, and 43.31A.190, the Economic Assistance Authority approved manufacturers for the investment tax deferral. Manufacturers constructing new buildings or making major improvements of existing buildings, and installing machinery and equipment in an economic assistance area or special impact area were eligible for the investment tax deferral program. Upon certificate of the project by the Economic Assistance Authority, the Department of Revenue issued a tax deferral certificate to the manufacturer. After completion of the project, the Department of Revenue conducted an audit to determine the amounts of sales and use tax deferred. After a three-year deferral period, the manufacturer repaid the tax in accordance with a five-year repayment schedule established by chapter 43.31A.

After March 1, 1981, no further applications for the deferral program were approved. Any deferrals existing have long since been repaid in accordance with the repayment schedule.

3. Related ancillary documents, court decisions, BTA decisions, and WTDs: Complete Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an ancillary document. Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered ancillary documents.

(a)

YES	NO	
		Are there any ancillary documents that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
		Are there any ancillary documents that should be repealed because the



		information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that provide information that should be incorporated into this rule?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?

(b)

YES	NO	
		Should this ancillary document be incorporated into a rule?
		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that affects the information now provided in this document?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?

If the answer is “yes” to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

4. Clarity and Effectiveness:

YES	NO	
		Is the document written and organized in a clear and concise manner?
		Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
		Is the document providing the result(s) that it was originally designed to achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities, help ensure that the tax law and/or exemptions are consistently applied?)
		Do changes in industry practices warrant repealing or revising this document?
		Do any administrative changes within the Department warrant repealing or revising this document?

Please explain.

5. Intent and Statutory Authority:

YES	NO	
		Does the Department have sufficient authority to adopt this document? (Cite the statutory authority in the explanation below.)
		Is the document consistent with the legislative intent of the statutes that



		authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed to implement ?) If “no”, identify the specific statute and explain below. List all statutes being implemented in Section 9, below.)
		Is there a need to recommend legislative changes to the statutes being implemented by this document?

Please explain.

6. Coordination: Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

YES	NO	
		Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain.

7. Cost: When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
		Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer “yes” only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.)

Please explain.

8. Fairness: When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

YES	NO	
		Does the document result in equitable treatment of those required to comply with it?
		Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
		Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.

9. LISTING OF DOCUMENTS REVIEWED: (Use “bullets” with any lists, and include documents discussed above. Citations to statutes, ancillary documents, and similar documents



should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).)

Statute(s) Implemented:

Ancillary Documents (i.e., ETAs, PTBs, and ADs):

Court Decisions:

Board of Tax Appeals Decisions (BTAs):

Administrative Decisions (e.g., WTDs):

Attorney General's Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

10. Review Recommendation:

_____ Amend

_____ **X** Repeal

_____ Leave as is

_____ Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.)

_____ Incorporate ancillary document into a new or existing rule. (Subject of this review must be an ancillary document and not a rule.)

Explanation of recommendation: (If recommending an amendment of an existing rule, provide only a brief summary of the changes you've identified/recommended earlier in this review document.)

Effective June 30, 1982, the Economic Assistance Authority was abolished. At the same time, most sections in chapter 43.31A were repealed. Although RCW 43.31A.160, 43.31A.170, 43.31A.180, and 43.31A.190 were not repealed until effective June 30, 1984, Substitute House Bill (SHB) 581 (Chapter 76, Laws of 1981) provided that no new tax investment deferrals would be approved after March 1, 1981. In addition, the Department of Revenue assumed the Authority's remaining duties that were associated with the deferrals.



Any deferrals existing at that time have long since been repaid in accordance with the statutory repayment schedule. Retention of the administrative rules included in chapter 175-16 WAC serves no useful purpose.

11. Manager action: Date: _____

_____ Reviewed recommendation _____ Accepted recommendation

_____ Returned for further action

Comments: